

May 10, 2006

The regular meeting of the Santa Rosa County Building Code Board of Adjustments and Appeals was held May 10, 2006, at 3:00 p.m. in the conference room of the Santa Rosa County Building Inspection Department located at 6051 Old Bagdad Highway, Milton, FL 32583. Board members present were Mr. Danny Holt, Chairman; Mr. Charles "Pete" Southerland, Vice Chairman; Mr. William J. Blackman, Mr. James "Larry" Halland Mr. Frank Harold.

Building Inspection Department staff in attendance was Mr. Tim Tolbert, Building Official; Mrs. Rhonda Royals, Deputy Building Official; Mr. Skip Tompkins, Compliance Division Superintendent; Mr. Randy Jones, Compliance Investigator; Mr. Bobby Burkett, Compliance Investigator and Mrs. Robyn Leverton, Administrative Assistant I.

Mr. Tom Dannheisser, County Attorney, was present for the meeting.

Mr. Danny Holt, Chairman, called the meeting to order at 3:00 p.m.

The "Formal Hearing" portion of these minutes can be obtained verbatim from Anchor Court Reporting.

Approval of Agenda:

Per Rhonda, there is an amendment to the agenda; a license reinstatement is to be added as item number 7. Mr. Southerland made a motion to accept the amended agenda. Mr. Hall seconded the motion. The motion carried with a unanimous vote.

Approval of Minutes:

Mr. Blackman made a motion to approve the minutes from the March 8, 2006 meeting. Mr. Southerland seconded the motion. The motion carried with a unanimous vote.

Next Meeting:

The next regularly scheduled meeting is Wednesday, June 14, 2006, at 3:00 p.m. in the Building Inspection Department Conference Room.

Old Business (Formal Hearing)

Cathy Schrock vs. Arnold Pearson d/b/a Pearson's Manufactured Housing Specialist, Inc.

Rhonda introduced the case and read the charges. The Board voted on March 8th to take this case to a formal hearing. The charges are as follows: Alleged Violations of Ordinance 2002-06; Section 16, paragraph 1 (e) and Section 16, paragraph 1 (f). This was a complaint that Cathy Schrock filed with this department concerning a home that was damaged by the hurricane, located at 1303 Ceylon Dr., Gulf Breeze, FL. Both parties were present.

Randy gave a brief update and showed a slide presentation giving some indication of the current condition of house. Randy alleges that Mr. Pearson, to this point, has done only a small amount of work, nothing on the roof, framing or demolition of the home; those were done by Mark Brown. The Board asked Randy if there was any contract signed between Cathy Schrock and Arnold Pearson. Randy stated that as far as he knew, there was not.

Rhonda described the original complaint. Ms. Schrock contracted with Mr. Brown to repair her home. When she went to the mortgage company, they asked her for the permit, Mr. Brown couldn't produce a permit, that's how Mr. Touchstone (Project Mgr for Mr. Pearson) and Mr. Pearson became involved. Rhonda said that in her recollection of previous testimony, Mr. Pearson pulled the building permit for Mr. Mark Brown (allowing Mr. Brown to work as an unlicensed contractor on the job) in exchange for getting the electrical and mechanical portion of the project. Originally Mr. Brown was allowed (under the Governor's Executive Order) a temporary license as a Specialty Roofing Contractor.

Randy continued with his update; approximately late June of '05 is when Mr. Touchstone and Mr. Brown first had contact. That is Mr. Touchstone's own words from a letter in the handout. The application for the permit was submitted July 19, 2005. That allows several weeks in which a red flag should have gone up with Pearson's indicating that they needed to be the building contractor on this job. The contract with Mark Brown is dated July 6, 2005. The permit was issued August 16, 2005. This is the building permit that was pulled by Pearson's Manufactured Housing Specialist, Inc. He also has the electrical, mechanical and recently pulled the roof permit. The two thousand dollar check, written to Mr. Touchstone from Mark Brown, is dated July 7, 2005. Randy said it was his understanding that the \$2000 (plus another \$1000 cash that he heard was paid out) was for pulling the building permits for Mark Brown. In exchange for pulling the permits, they were to get the electrical, mechanical and sub out the plumbing work. The plumbing work is still not permitted.

Randy read from Section 16 of the Ordinance, under disciplinary proceedings, a paragraph that he feels important because it is Mr. Touchstone's name that appears in the majority of this case not Arnold Pearson's. Mr. Touchstone is working as a representative of Pearson's Manufactured Housing therefore Mr. Pearson is responsible for his actions. Randy concluded saying that at the end of the first probable cause meeting, both parties (Schrock and Pearson) agreed, that for the remaining \$57,000, Mr. Pearson would complete the Mark Brown contract, which you have in your packet. For one reason or another that has not happened.

Mr. Dannheisser stated that the information presented and the circumstances involved can certainly affect the penalty, if any, that you choose.

Mr. Pearson, Mr. Touchstone and their attorney, Mr. John Trawick with the law firm Shell Fleming Davis & Menge approached the podium. Mr. Touchstone gave a brief summary of the contact with Mark Brown and Cathy Schrock. Mark Brown introduced himself as a roofing contractor and said he was doing some work on Ms. Schrock's house; he had applied for a license with Santa Rosa County to complete her house, but was unable to do so. Mr. Touchstone stated that he told Mark Brown he was extremely busy and didn't need any more work, but he would look at the house to see if they could help with getting her back in her home; this was in late June '05. He went to the Schrock residence, met with Mark Brown, looked at the house and told him exactly what would have to happen in order for Pearson's to do the job. Mr. Touchstone said that he told Mr. Brown they (Pearson's) would have to be the general contractor on the job, the checks would have to be made to Pearson's, they would have to oversee all activities, there would have to be general liability insurance and all workers would have to be covered by workers compensation. They got the contract on July 27, 2005.

The Board asked that Mr. Touchstone provide some information as to what happened after the arrangement made at the February 8 th BOAA meeting. Mr. Touchstone stated that Ms. Schrock could not come to an agreement as to how the contract would be written, the amount of work and what was going to be completed. The Board asked Mr. Touchstone if Pearson's Manufactured Housing and the homeowner have not been able to reach an agreement because of the scope of work that now appears to be involved in lieu of what Pearson's originally perceived it to be. Mr. Touchstone said that was correct. Several more questions, regarding the work that was done on the Schrock home and monies received, were asked by the Board.

Mr. Pearson addressed the Board. He stated that he took Mark Brown's contract, put it on Pearson's Manufactured Housing letterhead and tried to get Ms. Schrock to sign it. She would not sign the contract. Mr. Pearson said that he did make the mistake of not getting a contract signed from the very beginning. She signed the authorization for him to be the general contractor that was good enough for him.

Mr. Trawick spoke stating that this was not a situation in which the unlicensed contractor approached the licensed contractor asking to borrow the license for a certain percentage of the job. If there was any fault by Pearson, it was not getting a signed contract (from Ms. Schrock). This is what happens when a contract is not clarified. Pearson's Manufactured Housing was on the jobsite, he planned on controlling the job; his mistake was not getting the contract and not making sure that Ms. Schrock understood that this is how it was supposed to be. Mr. Pearson has not had any run-ins with this Board, has tried to be a good contractor and he cannot understand the situation that he is in now. It's a situation where Mr. Brown took advantage of not only Ms. Schrock but also Mr. Pearson. I hope the Board sees that.

Ms. Cathy Schrock and her attorney, Brent Bradley with Kinsey Troxel Johnson Walborsky & Bradley addressed the Board. Ms. Schrock stated that Mark Brown did work on the house after the permit was issued, he slept there and worked all the way through the 20 th of October when they had the meeting at which he relinquished his contract and went back to Arkansas. The Board asked...so he worked all the way into October? Ms. Schrock answered yes, he would come in and out from Arkansas, his two men stayed, lived in my home, worked with Mr. Touchstone as well and Mr. Brown would come in every two weeks, stay for about 6 days, do work at the house, just enough so she could see something was happening and then he would go back to Arkansas. Mr. Touchstone did the HVAC and the electrical; they had someone in to do the plumbing. Mr. Touchstone did come in and break up the concrete of the fireplace slab. Instead of using Kilz and the Microban to kill the mold, she had pictures of the straight Clorox that they were spraying.

They also did five windows on the first floor when they had rehung them and she had verification of the gaps when we talked about them being nailed in rather than screwed in.

The Board asked if, after the contract was signed in July thru October, she still believed that her contractor was Mark Brown. She said yes and he was getting the draws from the mortgage company. The Board continued to ask questions with Ms. Schrock giving the following replies. She knew that Mr. Pearson's group received \$3,000 in July; she didn't know what that money was for. They also received \$3,200 and an additional \$3,000 for the HVAC and electrical work; totaling \$9,200 from Mr. Brown. She didn't have knowledge of any of these payments until the October 20, 2005 meeting. That's when Julie, Mr. Touchstone's secretary, handed her the paperwork showing the payment draws off of what the balance was that Mr. Touchstone would be receiving. July 23 rd was when she became aware of the fact that Pearson's was pulling the permit. The mortgage company did not inspect the property until the 4 th draw. At that time Mark Brown had already received \$72,000 from Mor Equity. Ms. Schrock continued; Mr. Touchstone mentioned that he met her in June. She was in the State of Montana until Jul 27.

The Board asked Ms. Schrock, from a contractual basis, why is she not satisfied with Pearson's Manufactured Housing? She said her home was to be put back together under Mark Brown's contract by Mr. Pearson; there was \$57,000 remaining of the \$129,000 that she originally started with. Any other money coming from Mark Brown's case with the State Attorney's office, she was to pay him less the \$9,200; to which they all agreed. Mr. Pearson, on February 22 nd, at the meeting at my home (1 st time he'd ever seen her home) starts in with...there is insurance money still out there that we can get, we need to get. He wanted to see her insurance packet, she said no. He wanted more money above the \$57,000, she said no. He wanted to start on the \$57,000 immediately; he wanted it made available to them. She told him the mortgage company would not release any more money. Mr. Pearson would not agree to that.

Mr. Hall stated that he doesn't believe the burden of Mark Brown's unlicensed activity and lack of work vs. monies paid should be put on Arnold Pearson. It should not be Pearson's responsibility. The mortgage company and Mark Brown are the ones that should be at the formal hearing.

Paused for a break from 4:40 p.m. - 4:46 p.m.

Ms. Schrock wished to make one last comment. She said at the February 8 th (BOAA) meeting, the Board asked Pearson to

take over the contract for Mr. Brown and to follow it as stated to get her home back where it needed to be with the \$57,000 remaining of the \$129,000 at Mor Equity. She said she tried, they wanted more money and they wanted the \$57,000 to be available to them. Everything stopped at that point and the goal of that meeting didn't happen. That's why we're here today.

Mr. Bradley, attorney for Ms. Schrock spoke. He wanted to point out two scenarios; one being Touchstone receiving \$3,000 to pull permits and given the HVAC and electrical portions of the project for doing so. In that case they would be aiding and abetting an unlicensed contractor. The second scenario...they take over as a general contractor, they are going to handle everything, they are going to fulfill this contract. Would they let Mr.

Brown sleep on premises, let Mr. Brown do work, would they let him still call the shots on the work to be done, would they send bills to him to get paid?

At the February 8th meeting they take over as the general contractor; the first thing they do is ask for more money because they know that \$80,000 of the money is already gone and they are, in all likelihood, not going to get it. The discussions, with Mr. Bradley, have been that rather than take an \$80,000 hit, they would rather hand their license over to Santa Rosa County, not practice, if she sues, they'll declare bankruptcy.

Mr. Trawick spoke again. He stated that he wanted to make the billing issue clear as Mr. Bradley made a big deal about Pearson billing Mr. Brown. Invoicing did go to Mr. Brown because Mr. Brown had her money. He was going to continue billing Mr. Brown until he got all the money that Mr. Brown should not have had. Then the bills would have gone to Ms. Schrock.

Mr. Hall made a motion to issue a warning letter to the file of Arnold Pearson d/b/a Pearson's Manufactured Housing Specialist, Inc. Mr. Southerland seconded the motion and without further discussion the motion carried with a unanimous vote.

Open Forum:

a. Rhonda requested a vote from the Board regarding suspended license reinstatement due to non-payment. She asked the Board if they would be interested in extending this authority to her and Tim Tolbert. Mr. Blackman made a motion to grant such authority, Mr. Southerland seconded the motion and without further discussion the motion carried with a unanimous vote.

b. Tim Tolbert addressed the Board regarding roofing contractor issues. There are many roofing contractors that have not called in for final inspections on their re-roof projects; he wanted the Board's input regarding ideas of how to handle the situation. The Board recommended that the same procedure be taken as with the pool contractors; send a letter to them and allow three (3) months response time to get final inspections. If they don't comply, send them before the Board.

License Reinstatement

The party that had requested a license reinstatement didn't appear.

Mr. Harold made a motion to adjourn the meeting. Mr. Hall seconded the motion. The motion carried with a unanimous vote.

The meeting was adjourned at 5:14 p.m.

Approved this _____ day of _____, 2006.

Danny Holt, Chairman

Prepared by Robyn Leverton, Administrative Assistant I
Santa Rosa County Building Inspection Department